Electronically Recorded

Tarrant County Texas

Official Public Records

3/4/2010 9:54 AM

D210047641

NOTICE OF CONFIDENTIALITY RIGHTS TO YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OF THE FOLLOWING INFORMATION FROM THIS INSTRUMENT BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88-198(R) Texas Paid-Up (2/93)

OIL, GAS AND MINERAL LEASE

(PAID-UP LEASE)			
THIS AGREEMENT made this 17 day of Thomas Mallory Walker	February	, 20 <u>10</u> , between	
		221 Vestrille Assessed	
Huntington Beach, CA 92648	, Lessor (whether one or more) whose address is	221 Knoxville Avenue	
	rgy Production Company, L.P.	, Lessee; whose address is	
20 North Broadway, Oklahoma City, OK 73102-8260	; WITNESSETH:		
1. Lessor in consideration of Ten or more Dollars, in hand paid, of the royalties herein provided, and of the agreement of Lessee herein contained, hereby grants, leases and lets exclusively unto Lessee the lands subject hereto for the purpose of investigating, exploring, prospecting, drilling and mining for and producing oil, gas (including all gases, liquid hydrocarbons and their respective constituent elements) and all other minerals, (whether or not similar to those mentioned) and the exclusive right to conduct exploration, geologic and geophysical tests and surveys, injecting gas, water and other fluids and air into subsurface strata, establishing and utilizing facilities for the disposition of salt water, laying pipelines, housing its employees and building roads, tanks, power stations, telephone lines and other structures thereon to produce, save, take care of, treat, transport, and own said products; which lands are located in Tarrant County, Texas, and described as follows:			
Lot 6, Block 2, of Village Creek Estates, an Addition in Tarrant County, Texas, lying within the Abner Lee Survey, A-931, Tarrant County, Texas, and being more particularly described, by metes and bounds, in the plat recorded in Volume 388-90, Page 37, Plat Records, Tarrant County, Texas.			
This lease also covers and includes all land owned or claimed by Lessor adjacent or contiguous to the land particularly described above, whether the same be in said survey or in adjacent surveys, although not included within the boundaries of the land particularly described above. The land covered by this lease shall be hereinafter referred to as said Land. Lessor agrees to execute any lease amendment requested by Lessee for a more complete or accurate description of said Land and such amendment shall include words of present lease and grant. For the purpose of calculating any payments hereinafter provided for, said Land is estimated to comprise			
Lessee requests a lease amendment and same is filed of record. 2. Subject to the other provisions herein contained and without reference to the commencer lease shall be for a term of three (3) years from this date (called "primary term") and as long thereaf or land with which said Land is pooled hereunder. The word "operations" as used herein shall include drilling, testing, completing, reworking, recompleting, deepening, plugging back or repairing of a we other actions conducted on said lands associated with or related thereto.	ment, prosecution or cessation of operations and/or ter as oil, gas, or other minerals is produced from or de but not be limited to any or the following; prepar ell in search for or in an endeavor to obtain producti	production at any time hereunder, this reperations are conducted on said Landing drillsite location and/or access road, ion of oil, gas or other minerals and any	
3. The royalties to be paid by Lessee are: (a) on oil delivered at the wells or into the pipeline oil produced and saved from said Land; Lessee may from time to time purchase any royalty oil in its date of purchase or Lessee may sell any royalty oil in its possession and pay Lessor the price receive the cost of treating the oil to render it marketable pipeline oil or, if there is no available pipeline, Les all gases, processed liquid hydrocarbons associated therewith and any other respective constituent e used off the premises or for the extraction of gasoline or other product therefrom, the market value exceed the amount received by Lessee for such gas computed at the mouth of the well, and provided from such sale, it being understood that Lessor's interest shall bear one-eighth of the cost of all come at the wells; (c) on all other minerals mined and marketed, one-tenth either in kind or value at the waster for any long time of the participating royalty interests, in said Land, whether or not owned by Lessor and whether or not efficient lessees shall have free use of oil, gas and water from said Land, except water from injection and secondary recovery operations, and the royalty on oil and gas shall be computed after described the expiration of the primary term or at any time or times after the primary term herein or land or leases pooled therewith but oil or gas is not being sold or used and this lease is not the (unless released by the Lessee), and it shall nevertheless be considered that oil and/or gas is being produced.	possession, paying the market price therefor prevail of by the Lessee for such oil computed at the well; I assor's interest shall bear one-eighth of the cost of all elements, casinghead gas or other gaseous substance e at the well of one-eighth of the gas so sold or us further on gas sold at the wells the royalty shall be pression, treating, dehydrating and transporting coswell or mine, at Lessee's election. Any royalty interfectively pooled by Lessee pursuant to the provision may be used. In the provision of t	ling for the field where produced on the essor's interest shall bear one-eighth of trucking charges; (b) on gas, including e, produced from said Land and sold or sed provided the market value shall not one-eighth of the net proceeds received dts incurred in marketing the gas so sold ests, including, without limitation, non- nas hereof, shall be paid from the royalty may conduct hereunder, including water or gas in paying quantities on said Land therwise, this lease shall not terminate, traph 2 herein. However, in this event,	
nereunder regardless or changes in ownership of said land or shut-in royalty payments) a sum determovided however, in the event said well is located on a unit comprised of all or a portion of said Laeach acre of said Land included in such unit on which said shut-in well is located. If such bank (or a fail or refuse to accept such payment, Lessee shall re-tender such payment within thirty (30) days fol to receive such payment or tenders. Such shut-in royalty payment shall be due on or before the excompletion of such well, or (c) the date on which oil or gas ceases to be sold or used, or (d) the date (e) the date the lease ceases to be otherwise maintained, whichever be the later date. It is understood manner and upon like payments or tenders on or before the next ensuing anniversary of the due of periods of one (1) year each until such time as this lease is maintained by production or operations royalty payment shall not be required or, if a shut-in royalty payment is tendered, no additional shut payment regardless of how many times actual production may be commenced and shut-in during stender any such sum as shut-in royalty shall render Lessee liable for the amount due but it shall not or market the minerals capable of being produced from said wells, but in the exercise of such diliger ordinary lease facilities of flowline, separator, and lease tank, and shall not be required to settle labor tenders royalty or shut-in royalty as hereinabove provided, two (2) or more parties are, or claim to provided, pay or tender such royalty or shut-in royalty, in the manner above specified, either jointly as Lessee may elect.	e Lessors agent and shall continue as the depository runined by multiplying one dollar (\$1.00) per acre find and other land or leases a sum determined by muny successor bank) should fail, liquidate, or be succlowing receipt from Lessor of a proper recordable in chiral proper recordable in a unit on which a well has be d and agreed that no shut-in royalty payments shall late for said payment, the Lessee shall continue to However, if actual production commences within in payment will be due until the next ensuing annivated one (1) year period. Lessee's failure to pay operate to terminate this lease. Lessee agrees to use ince, Lessee shall not be obligated to install or furnish revolute or to market gas upon terms unacceptable to be, entitled to receive same, Lessee may, in lieu to such parties or separately to each in accordance verse.	bank for all shut-in royalty payments for each acre then covered by this lease, altiplying one dollar (\$1.00) per acre for eeded by another bank or for any reason astrument naming another bank as agent to of the primary term, or (b) the date of een previously completed and shut-in or be due during the primary term. In like pay such shut-in royalty for successive at the applicable 90 day period, a shut-in versary of the due date for said tendered r tender or to properly or timely pay or reasonable diligence to produce, utilize h facilities, other than well facilities and to Lessee. If at any time Lessee pays or of any other method of payment herein with their respective ownerships thereof,	
5. (a) Lessee shall have the right and power in its discretion to pool or combine, as to any covered by this lease or with other land, lease or leases in the vicinity thereof. The above right and pone or more of said substances, and may be exercised at any time and from time to time during or drilled. Pooling in one or more instances shall not exhaust the rights of Lessee to pool said Land or not conform in size or area with units as to any other stratum or strata, and oil units need not conform acres each in area plus a tolerance of 10% thereof, and units pooled for gas hereunder shall not subst governmental authority having jurisdiction prescribe or permit the creation of units larger than those or permitted by governmental regulations. The pooling for gas hereunder by Lessee shall also pool as may be produced with the unitized gas, and the royalty interest payable to Lessor thereon shall execute in writing an instrument or instruments identifying and describing the pooled acreage and facreage is located. Such pooled unit shall become effective as of the date provided for in said instrument such unit shall become effective on the date such instrument or instruments are so filed for record. any time and from time to time after the original forming thereof by filing an appropriate instrume established in accordance with the terms hereof shall constitute a valid and effective pooling of the executive mineral, royalty, non-participating royalty, overriding royalty or leasehold interests in lacesee shall be under no duty to obtain an effective pooling of such other outstanding interests in la from any part of the pooled unit which includes all or a portion of said Land, regardless of whether this lease or the date of the instrument designating the pooled unit, shall be considered for all purpor Land whether or not the well or wells be located on said Land. The production from an oil well will not as production from a gas pooled unit; and production from form a gas well will be considered as propooled unit. In lieu	power to pool and unitize may be exercised with res after the primary term, and before or after a well h r portions thereof into other units. Units formed by m as to area with gas units. Units pooled for oil her antially exceed in area 640 acres each, plus a tolerar e specified, units thereafter created may conform su and unitize all associated liquid hydrocarbons and a be computed the same as on gas. With respect to file same for recording in the office of the County C trument or instruments, but if said instrument or in Any unit so formed may be re-formed, increased o ent of record in the County in which said pooled ac interests of Lessor and Lessee hereunder regardless lands within the boundary of any pooled unit. Operations were commenced or such productionses, except the payment of royalties, as operations libe considered production from the lease or gas pooled unit from wooled only such portion of the royalty stipulated here	spect to oil, gas or other minerals, or any as been drilled, or while a well is being pooling as to any stratum or strata need eunder shall not substantially exceed 80 nee of 10% thereof, provided that should abstantially in size with those prescribed my other respective constituent elements or any such unit so formed, Lessee shall clerk in the county in which said pooled struments make no such provision, then redecreased, at the election of Lessee, at reage is located. Any such pooled unit is of the existence of other mineral, non-the are not effectively pooled therewith ations on or production of oil and/or gas in was secured before or after the date of on or production of oil or gas from said oled unit from which it is producing and hich it is producing and not from an oil one of the said to said the details of the said to said the said to said the said th	

- such unit and used in the operations thereof or thereon shall be excluded in calculating said royalty. Lessee may vacate any unit formed by it hereunder by instrument in writing filed for record in said county at any time when there is no unitized substance being produced from such unit. If this lease now or hereafter covers separate tracts, no pooling or unitization of royalty interests as between any such separate tracts is intended or shall be implied or result merely from the inclusion of such separate tracts within this lease but Lessee shall nevertheless have the right to pool or unitize as provided in this paragraph 5 with consequent allocation of production as herein provided. As used in this paragraph 5, the words "separate tract" mean any tract with royalty ownership differing, now or hereafter, either as to parties or amounts, from that as to any other part of said Land.

 (b) Lessee at any time and from time to time during the life of this lease shall have the right and power as to all or any part or formation or strata of the land herein leased, without Lessor's joinder, to unitize the same with other lands, formations, strata or leases covering lands in the same general area as the leased premises by combining the leasehold estate and Lessor's royalty estate created by this lease with any other lease or leases, royalty or mineral estate in and under any other tract or tracts of land, regardless of the ownership thereof, so as to create by the combination of such interests or any of them one or more unitized areas of such size and shape as determined by Lessee to be developed and operated by secondary or tertiary methods as though such lands and interest were all included within the terms hereof and constituted a single oil, gas and mineral lease. All such production from such unitized area shall be divided or allocated among the various tracts comprising such unitized area based on a formula derived from parameters utilized by Lessee and incorporated in a unitization agreement approved by the Railr
- 6. Lessee may at any time or times execute and deliver to Lessor or to the depository above named or place of record, a release or releases covering any portion of said Land and/or portions of subsurface strata or stratum and thereby surrender this lease as to such portion and/or portion of subsurface strata or stratum and be relieved of all obligations as to the acreage, strata or stratum surrendered. Lessee shall retain rights of ingress and egress across and through any released portion and/or strata of the lease in order to have necessary access to that portion and/or strata of the lease of premises which remains in force and on which Lessee continues to conduct operations.

 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operations or other operations required the production of
- 7. If, at any time or times after the expiration of the primary term, operations or production of oil, gas or other minerals on said Land or on acreage pooled therewith should cease from any cause and this lease is not then being otherwise maintained, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days thereafter and continues such operations or commences any other operations with no cessation of operations of more than ninety (90) consecutive days, and if such operation or other operations result in the production of oil, gas or other minerals, this lease shall remain in full force and effect for so long thereafter as oil, gas or other mineral is produced from said Land or acreage pooled therewith. It is understood and agreed that if, during the primary term hereof, all operations or production ceases on said Land or leads spooled therewith, this lease shall nevertheless remain in full force and effect during the paid-up primary term hereof. If, at the expiration of the primary term, oil, gas or other minerals is not being produced on said Land or on acreage pooled therewith and there are no operations on said Land or on acreage pooled therewith but operations or production ceased within 90 days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of said cessation of production or operations. If after the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of the expiration of the primary term, this lease shall not terminate if Lessee commences or resumes operations within ninety (90) days of the expiration of the primary term, this lease sh or a portion of the leased premises, is reclassified as an oil well, the effective date of such reclassification shall be considered as the date of cessation of production from said well. If during the term of this lease, a well or wells should be drilled and completed as a producer of oil or gas in paying quantities and such well or wells are located on adjacent land and within 330 feet of and draining said Land, Lessee agrees, at its option to either (a) drill such offset well or wells, as an ordinary prudent operator would do under similar circumstances, or (b) release the affected acreage or stratum in accordance with the provisions of paragraph 6 herein; and, in this connection, it shall be considered that no drainage exists. However, there shall be no express or implied duty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses

- oduty of Lessee, with respect to the above options, unless such offset well or wells drilled by Lessee would be sufficiently productive to pay Lessee a profit over and above drilling, completing and operation expenses.

 8. Lessee shall have the right, at any time during or after the expiration of this lease, to remove all casing. Upon Lessor's request and when reasonably necessary for utilization of the surface for some intended use by the Lessor, Lessee will bury all pipelines below ordinary plow depth. No well shall be drilled within two hundred (200) feet of any residence or barn now on said draw without Lessor's consent.

 9. The rights of either party hereunder may be assigned in whole or in part, and the provisions hereof shall extend to their heirs, successors and assigns; but no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligation or diminish the right of Lessee, and no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the right of Lessee, and no change or division in such ownership of said Land or royalties, however accomplished, shall operate to enlarge the obligations or diminish the right of Lessee, and no change or division in such ownership of said Land or royalties, however accomplished, by registered U. S. mail at Lessee's principal place of business, with a certified copy of recorded instrument or instruments evidencing same or evidence satisfactory to Lessee. If any such change in ownership occurs by reason of the death of the owner, Lessee may nevertheless, pay or tender royalties, or part thereof, to the credit of the deceded in a depository bank provided for above. In the event Lessee is a said manufactory to the satisfactory bank provided for above. In the event Lessee is a said manufactory to Lessee and multifurnished with a recordable instrument, executed by all such parties, designating an agent to receive payment for all.

 10.
- less than the entire fee simple estate, then the shut-in royalties and royalties to be paid Lessor shall be reduced proportionately.

 12. (a) Should Lessee be prevented from complying with any express or implied covenant of this lease, from conducting operations thereon, or from producing oil or gas therefrom by reason of scarcity of or inability to obtain or to use equipment or material, or by operation of force majeure, any Federal or State law, or any order, rule or regulation of governmental authority, then while so prevented, Lessee's obligation to comply with such covenant shall be suspended and Lessee shall not be liable for damages for failure to comply therewith; and this lease shall be extended while and so long as Lessee is prevented by any such cause from conducting operations on or from producing oil or gas from said Land; and the time while Lessee is so prevented shall not be counted against Lessee, anything in this lease to the contrary notwithstanding.

 (b) The specification of causes of force majeure herein enumerated shall not exclude other causes from consideration in determining whether Lessee has used reasonable diligence wherever required in fulfilling any obligations or conditions of this lease, express or implied, and any delay of not more than six (6) months after termination of force majeure shall be deemed instified.
- (c) All terms and conditions of this lease, whether express or implied, shall be subject to all Federal and State Laws, Executive Orders, Rules, or Regulations; and this lease shall not be terminated, in whole or in part, nor Lessee held liable in damages for failure to comply therewith, if compliance is prevented by, or if such failure is the result of, any such Law, Order,
- Rule or Regulation.

 13. This lease states the entire contract between the parties, and no representation or promise, verbal or written, on behalf of either party shall be binding unless contained herein; and this lease shall be binding upon each party executing the same and their successors, heirs, and assigns, regardless of whether or not executed by all persons above partied as "I secon".

P= 7 ***********************************		
IN WITNESS WHEREOF, this instrument is executed on the date first above written. LESSOR Thomas Mallory Walker LESSOR		
Thomas Mediory Walker LESSOR		
LESSOR		
This instrument was acknowledged before me on		
Notary Signature: Susan & Counc		
Printed Name: SUSAN L CAINE		
Notary Public, State of Calif		
My Commission Expires: 8-6-13		

EXHIBIT "A"

Attached to a made a part of that certain Oil, Gas and Mineral Lease dated the 17th day of February, 2010 by and between Thomas Mallory Walker, as Lessor and Devon Energy Production Company, L.P., as Lessee.

14. Notwithstanding anything contained in this Lease to the contrary, whenever the words "one-eighth" $(1/8^{th})$ appear in the printed portion of this Lease, the same is hereby amended to read "one-fourth" $(1/4^{th})$.

SIGNED FOR IDENTIFICATION:

Thomas Mallory Walker